

# **Preliminary For Review**

## **MINUTES**

### **STATE BUILDING COMMISSION MEETING**

#### **EXECUTIVE SUB-COMMITTEE**

**AUGUST 20, 2007**

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

#### **STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT**

Dave Goetz, Commissioner, Department of Finance and Administration  
John Morgan, Comptroller of the Treasury  
Dale Sims, State Treasurer  
Riley Darnell, Secretary of State

#### **OTHERS PRESENT**

Mike Fitts, State Architect  
Georgia Martin, State Architect's Office  
Charles Garrett, Real Property Administration  
Jurgen Bailey, Real Property Administration  
Charles Harrison, Comptroller's Office  
Janie Porter, Attorney General's Office  
Pat Haas, Bond Finance  
Amanda Hoback, Bond Finance  
George Brummett, Finance and Administration  
John Carr, Finance & Administration  
Dennis Raffield, THEC  
Mark Cherpack, Finance & Administration  
Annette Crutchfield, Legislative Budget Analysis  
Mike Morrow, Finance & Administration  
Bob King, Real Property Administration  
Karen Hale, Comptroller's Office  
Tim Stewart, Military  
Phillip Carnes, Attorney General's Office  
Mary Margaret Collier, Comptroller's Office  
Jerry Lee, Finance and Administration  
Fred Hix, Mental Retardation Services  
Jerry Preston, Tennessee Board of Regents  
David Gregory, Tennessee Board of Regents

Commissioner Goetz called the meeting to order at 10:37 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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DEPARTMENT OF FINANCE & ADMINISTRATION  
for  
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to ACQUIRE at ABOVE FAIR MARKET VALUE a NEGOTIATED PURCHASE PRICE the required interests in the following real properties being acquired.

Description: Fayette County – Lot #3, 5, & 11 of Oak Hill Estates Subdivision – Trans. No. 07-02-025 (JB)

Shelby County – 1.0+/- acres – 5982 Polk Street, Arlington, TN – Trans. No. 07-04-004 (JB)

Purpose: Acquisition in Fee to construct four bedroom ICF/MR homes.

Funding: Bond SBC 346-000-05-2005

Owner: Bob Conrad

Further Approval Requested: These two transactions were appraised for a total of \$283,000.00. The owner refused our offer and offered to settle at \$312,800.00. We negotiated a \$300,000.00 purchase price subject to SBC final approval. These residential properties are scarce within the area designated by court settlement and we kindly request your approval.

SC Report: 08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 03-20-07. Charles Garrett presented the transaction. Secretary of State Darnell stated that he felt the price of the lots was steep. Mr. Garrett stated that residential properties are difficult to find within the area designated by court settlement, and that after negotiations, the purchase price was just \$17,000 over the actual appraisal amount. After discussion, the request was approved as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION  
for  
REAL PROPERTY ADMINISTRATION

**FACILITIES REVOLVING FUND**

Request for approval of proposed rate changes for the Facilities Revolving Fund. The proposal is summarized as follows:

- The FRF rate in counties with current rates of \$12.50 and \$13.00 will increase to \$14.00 per square foot.
- The FRF rate in counties with current rates of \$13.50, \$14.00, \$16.00, and \$17.00 will increase to \$18.00 per square foot.
- The FRF rate for office/warehouse space will increase from \$6.50 to \$7.50 per square foot.
- The FRF rate for warehouse space will increase from \$5.00 to \$6.50 per square foot.

The basis for this proposal and its projected impact are detailed in the attached Information Paper with supporting documentation.

SC Report: 08-13-07. Charles Garrett summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 08-20-07. Charles Garrett distributed an information paper dated June 11, 2007 regarding proposed FRF rate increases. After discussion, the Subcommittee recommended the proposed rate increases to the full Commission for approval.

**DEPARTMENT OF FINANCE & ADMINISTRATION**

**LAND ITEM**

Request for APPROVAL to DEVELOP an exploratory RFP to ascertain the level of interest for purchasing the city block and improvements of the Supreme Court Building and annex in Knoxville. This city block is bordered by Henley Street, Church Street, Locust Street, and Cumberland Avenue.

Description:	<b><u>Supreme Court Building and Annex and city block bordered by Henley, Church, Locust, and Cumberland.</u></b>
Purpose:	To explore interest in the purchase of this site and improvements
Source of Funding:	N/A
Estimated Cost:	N/A
Owner(s):	State of Tennessee
Comment:	This sale is an integral part of the revised Knoxville housing plan.
SC Action:	08-20-07. Charles Garrett presented the transaction based on information in the <i>Knoxville Housing Plan</i> , dated 8-20-07. After general discussion, the Subcommittee approved Mr. Garrett's request as presented.

MILITARY DEPARTMENT

MCGHEE TYSON AFB, LOUISVILLE / ALCOA, TENNESSEE

- 1) Approved a request for a revision in scope and estimated project cost from \$6,478,000.00 to \$6,426,000.00 (\$52,000.00 decrease) to delete the Hangar Addition portion of a project for **AASF Addition / Alteration** at McGhee Tyson AFB in Louisville, Tennessee, and authorization to award a contract to Hickory Construction, Alcoa, in the amount of \$4,865,000.00, based on bids received August 15, 2007.

Revised Estimated Project Cost:       **\$6,426,000.00**  
*SBC Project No.*                    361/102-01-2005

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on July 23, 2007.

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Following approval of the Consent Agenda, the meeting adjourned at 10:50 a.m.

### **CONSENT AGENDA**

Approved the following Real Property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Knox County  
Transaction: Acquisition in Fee
- B. Agency: Department of Military – Weakley County  
Transaction: Acquisition by Agreement
- C. Agency: University of Tennessee – Weakley County  
Transaction: Disposal by Lease  
Provision: Waiver of Advertisement & Appraisals
- D. Agency: Tennessee Board of Regents – Obion County  
Transaction: Lease Agreement  
Provision: Waiver Advertisement
- E. Agency: Tennessee Board of Regents – Shelby County  
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Washington County  
Transaction: Acquisition in Fee
- G. Agency: Department of Financial Institutions – Davidson County  
Transaction: Lease Agreement
- H. Agency: Comptroller of the Treasury – Davidson County  
Transaction: Lease Amendment  
Provision: Waiver Advertisement
- I. Agency: Department of Financial Institutions – Davidson County  
Transaction: Lease Amendment
- J. Agency: Department of Revenue – Davidson County  
Transaction: Lease Amendment
- K. Agency: Department of Safety DLI & THP – Obion County  
Transaction: Lease Agreement
- L. Agency: Department of Post Conviction Defenders– Davidson County  
Transaction: Lease Amendment
- M. Agency: Department of Economic Community Development – Putnam County

- Transaction: Lease Agreement
- N. Agency: Department of Agriculture – Franklin & Marion Counties  
Transaction: Acquisition in Fee
- O. Agency: Department of Environment & Conservation – Carter County  
Transaction: Acquisition in Fee
- P. Agency: Department of Environment & Conservation – Maury County  
Transaction: Acquisition in Fee
- Q. Agency: Tennessee Wildlife Resources Agency – Davidson County  
Transaction: Disposal by Easement
- R. Agency: Tennessee Wildlife Resources Agency – Greene County  
Transaction: Acquisition in Fee
- S. Agency: Tennessee Wildlife Resources Agency – Dyer County  
Transaction: Disposal by Easement
- T. Agency: Tennessee Wildlife Resources Agency – Sullivan County  
Transaction: Disposal by Easement
- U. Agency: Tennessee Wildlife Resources Agency – Bradley County  
Transaction: Acquisition in Fee
- V. Agency: Tennessee Board of Regents – Rutherford County  
Transaction: Demolitions

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Knox County – 0.34 +/- acres with house – 901 Twenty Second Street, Knoxville, TN – Trans. No. 07-07-021 (GM)</u>
Purpose:	Acquisition in Fee to purchase the property and will benefit the University. Property is in the Master Plan.
Source of Funding:	University of Tennessee
Estimated Cost:	Fair Market Value
Owner(s):	Julia B. Wright
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

B.

DEPARTMENT OF MILITARY and  
UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Weakley County – 6.0 +/- acres with improvements – TN National Guard Facility, Martin, TN – 06-10-015 (LW)</u>
Purpose:	Acquisition by Agreement to remove use restriction (as armory) then transfer jurisdiction (Tr. No. 07-08-001) to UT, in exchange for a no cost lease (Tr. No. 07-07-022)
Source of Funding:	University of Tennessee
Owner(s):	State of Tennessee for Department of Military
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

C.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Weakley County – 6.0 +/- acres with improvements – TN National Guard Facility, Martin, TN – 07-07-022 (LW)</u>
Purpose:	Disposal by Lease the city will rent ½ of the vehicle repair facility for its vehicle fleet and have exclusive use of the TN National Guard building for a call center or Senior Citizen Program
Term:	Ten (10) year initial term with two (2) ten (10) year options and no option terminate the lease for convenience, all associated costs to be paid by the City of Martin.
Consideration:	\$1.00 per year
Lessee:	City of Martin
Comment:	City of Martin conveyed the property to State of Tennessee for use as an armory. The City of Martin agrees to release its use restriction in exchange for the no cost lease.
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

D.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Obion County – 204 South Second Street, Union City, TN – Trans. No. 07-07-912

Purpose: To provide office/classroom/training space for Obion County Training & Education Center of DSCC for Goodyear Maintenance Technician Co-op Program.

Term: September 1, 2007 thru August 31, 2008 (1 yr.)

Proposed Amount: 12,013 Square Feet  
Annual Contract Rent Incl. Annual  
Utility & Janitorial Cost: \$45,000.00 @\$3.75/sf  
Total Annual Effective Cost: \$45,000.00 @\$3.75/sf

Current Amount: 12,013 Square Feet  
Annual Contract Rent Incl. Annual  
Utility & Janitorial Cost: No Charge

Type: New Lease – Negotiated

Purchase Option: No

Lessor: Obion County Industrial Corporation

Comment: The proposed lease provides (1) Lessor is to provide 12,013 sf including tenant improvements at no additional cost to the State, (2) Lessor to provide utilities & janitorial services at no additional cost to the State, (3) proposed lease has a 90 day cancellation clause, and (4) option to renew at 1 year for 3 years.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 425 / 431 Patterson Street, Memphis, TN – Trans. No. 07-07-001 (BW)

Purpose: Acquisition in Fee to purchase the properties and will benefit the University. Properties are in the revised Master Plan.

Source of Funding: Local Funds/Land Acquisition Funds

Estimated Cost: Fair Market Value

Owner(s): Highland Street Church of Christ

SC Report: 08-13-07. Jurgen Bailey summarized the transaction. Jerry Preston stated that the house will be used for departmental offices. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Washington County – 1501 West State of Franklin Road, Johnson City, TN – Trans. No. 07-07-013 (BW)</u>
Purpose:	Acquisition in Fee to enhance the west main entrance into the campus. Property is in the ETSU Master Plan.
Source of Funding:	Institutional Funds (Plant funds)
Estimated Cost:	Fair Market Value
Owner(s):	Ben & Elizabeth Lyle
Comment:	Request to purchase the property with improvements and demolition of the building (former convenience store).
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

G.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 414 Union Street, Suites 900 & 1000, Bank of America Building, Nashville, TN – Trans. No. 07-01-914 (JS)

Purpose: To provide office space for area operations

Term: January 1, 2008 thru December 31, 2017 (10 yrs.)

Proposed Amount:	<u>26,251 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$442,986.00</u>	<u>@\$16.87/sf</u>
	Total Annual Effective Cost:	<u>\$442,986.00</u>	<u>@\$16.87/sf</u>

Current Amount:	<u>27,111 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$539,814.24</u>	<u>@\$19.91/sf</u>
	Total Annual Effective Cost:	<u>\$539,814.24</u>	<u>@\$19.91/sf</u>

Type: New Lease – Advertise – Received six (6) proposals from three (3) proposers.

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Parkway Properties, LP, Bank of America Plaza

Comment: The proposed lease provides: (1) Lessor will build-out an existing building of 26,251 rsf, plus required security and including interior improvements at no additional cost to the State, (2) Lessor to provide State with a cabling allowance of 50% of the cost of bringing that State occupied space to the State's cabling standard of CAT 6 up to \$76,745.66, (3) Lessor will furnish all utilities & janitorial services, and (4) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

H.

COMPTROLLER OF TREASURY

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Davidson County – 414 Union Street, Suite , Bank of America Building, Nashville, TN – Trans. No. 07-08-900 (BK)

Purpose: To provide office space for area operations

Term: January 1, 2008 thru December 31, 2017 (10 yrs.)

Proposed Amount: 31,175 Square Feet  
Average Annual Contract Rent Incl. Annual  
Utility & Janitorial Cost: \$526,086.00 @\$16.87/sf  
Total Average Annual Effective Cost: \$526,086.00 @\$16.87/sf

Current Amount: 26,251 Square Feet  
Average Annual Contract Rent Incl.  
Annual Utility & Janitorial Cost: \$442,986.00 @\$16.87/sf  
Total Average Annual Effective Cost: \$442,986.00 @\$16.87/sf

Type: New Lease – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Parkway Properties, LP, Bank of America Plaza

Comment: The proposed lease amendment provides: (1) Lessor will build-out 4,924 rsf, including interior improvements at no additional cost to the State, (2) Lessor will furnish all utilities & janitorial services, and (3) all other terms and conditions remain the same except for the cabling.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

I.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 551 Union Street, Nashville, TN – Trans. No. 03-09-911 (JS)

Purpose: To provide lease extension until new facility is ready.

Term: July 1, 2007 thru February 29, 2008 (8 mons)

Proposed Amount: 27,111 Square Feet  
Eight Month Annual Contract Rent Incl.  
Annual Utility & Janitorial Cost:  

	<u>\$359,876.16</u>	<u>@\$19.91/sf</u>
Total Annual Effective Cost:	\$359,876.16	@\$19.91/sf

Current Amount: 27,111 Square Feet  
Average Annual Contract Rent Incl.  
Annual Utility & Janitorial Cost:  

	<u>\$539,814.24</u>	<u>@\$19.91/sf</u>
Total Annual Effective Cost:	\$539,814.24	@\$19.91/sf

Type: Amendment #4

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Nashville City Center, LP

Comment: The proposed lease amendment provides: (1) Lessor will furnish all utilities & janitorial services, and (2) all other terms and conditions remain the same.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

DEPARTMENT OF REVENUE

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 1321 Murfreesboro Road, Suite 721, Nashville, TN – Trans. No. 07-07-910 (JS)

Purpose: To provide office space for mail processing equipment & supplies

Term: January 1, 2008 thru December 31, 2009 (2 yrs.)

Proposed Amount:	<u>15,625 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$190,656.00</u>	<u>@\$12.20/sf</u>
	Total Annual Effective Cost:	\$190.656.00	@\$12.20/sf

Current Amount:	<u>14,260 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost::	<u>\$174,000.00</u>	<u>@\$12.20/sf</u>
	Total Annual Effective Cost:	\$174,000.00	@\$12.20/sf

Type: Amendment #1

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: Airport Plaza, LLC

Comment: The proposed lease amendment provides: (1) Lessor will build-out Suite 721 of 1,365 rsf, including interior improvements at a reimbursement cost of \$9,815.00 to be pay in lump sum, (2) Lessor will furnish all utilities & janitorial services, and (3) all other terms and conditions remain the same.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

K.

DEPARTMENT OF SAFETY DLI & THP

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Obion County – 1604 West Reelfoot Avenue, Union City, TN – Trans. No. 06-07-910 (AL)

Purpose: To office space for the DLI & THP operations

Term: January 1, 2009 thru December 31, 2013 (5 yrs.)

Proposed Amount: 6,300 Square Feet  
Annual Contract Rent Incl. Annual  
Utility Cost: \$59,000.00 @\$ 9.37/sf  
Est. Annual Janitorial Cost: \$ 6,930.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$65,930.00 @\$10.47/sf

Current Amount: 4,000 Square Feet  
Annual Contract Rent: \$38,000.00 @\$ 9.50/sf  
Est. Annual Utility Cost: \$ 5,600.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 4,400.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$48,000.00 @\$12.00/sf

Type: New Lease – Advertise – Received eleven (11) proposal from four (4) proposers.

FRF Rate: \$12.50 per square foot

Purchase Option: No

Lessor: Bob Hunt / Hunt Rentals

Comment: The proposed lease provides: (1) Lessor will renovate an existing building of 6,300 rsf, including interior improvements at no additional cost to the State, (2) Lessor will furnish all utilities services, and (3) proposed lease has a 90 day cancellation clause.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

DEPARTMENT OF POST CONVICTION DEFENDERS

LEASE AMENDMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 530 Church Street, Nashville, TN – Trans. No. 02-11-907 (AL)

Purpose: To provide additional space for Post Convictions Defenders operations

Term: August 1, 2007 thru June 30, 2008 (11 mons.)

Proposed Amount:	<u>12,408 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$142,692.05</u>	<u>@\$11.50/sf</u>
	Total Annual Effective Cost:	\$142,692.05	@\$11.50/sf

Current Amount:	<u>10,898 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$125,327.00</u>	<u>@\$11.50/sf</u>
	Total Annual Effective Cost:	\$125,327.00	@\$11.50/sf

Type: Amendment #1 – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: Cornerstone Associates, LLC

Comment: The proposed lease amendment provides: (1) Lessor will build-out 1,510 rsf, including interior improvements at no additional cost to the State, (2) Lessor will furnish all utilities & janitorial services, and (3) all other terms and conditions remain the same.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

M.

**DEPARTMENT OF ECONOMIC COMMUNITY DEVELOPMENT**

**LEASE AGREEMENT**

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Putnam County – 440 Neal Street, Suite A, Cookeville, TN – Trans. No. 07-01-906 (RS)**

Purpose: To provide office space for county operations

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>4,800 Square Feet</u>		
	Annual Contract Rent Incl. Annual		
	Utility & Janitorial Cost:	<u>\$67,200.00</u>	<u>@\$ 14.00/sf</u>
	Total Annual Effective Cost:	<u>\$67,200.00</u>	<u>@\$ 14.00/sf</u>

Current Amount:	<u>3,400 Square Feet</u>		
	Annual Contract Rent:	\$19,635.00	@ \$ 5.78/sf
	Est. Annual Utility Cost:	\$ 4,760.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,740.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	<u>\$28,135.00</u>	<u>@ \$ 8.28/sf</u>

Type: New Lease – Advertise – Received three (3) proposals in which two (2) is non-conforming.

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Rivera Partners, Paul Gaw

Comment: The proposed lease provides (1) Lessor is to renovate 4,800 rentable square feet including tenant improvements at no additional cost to the State, (2) Lessor to provide utilities & janitorial services at no additional cost to the State, and (3) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SC Report: 08-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

**DEPARTMENT OF AGRICULTURE**

**LAND ITEM**

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Franklin & Marion Counties – 833 +/- acres adjacent to Franklin/Marion State Forest, Sherwood, TN – Trans. No. 07-07-020 (FB)**

Purpose: Acquisition in Fee to protect from future development and part of a project to purchase Lost Cove by the Land Trust of Tennessee and Sewanee, University of the South. Proceeds of the Smith Tract acquisition will support the purchase of Lost Cove that will connect the forest with Carter Cave SNA & Sewanee domain.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): The University of the South – Sewanee

SC Report: 08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

**DEPARTMENT OF ENVIRONMENT & CONSERVATION**

**LAND ITEM**

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Carter County – 4.28 +/- acres – Sabine Hill Historic Home &amp; site, Elizabethton, TN – Trans. No. 07-07-010 (FB)</u>
Purpose:	Acquisition in Fee will allow Tennessee State Parks to bring a broader audience in contact with the Wataugan community and Colonial upper East Tennessee.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Fair Market Value
Owner(s):	Mrs. Helen Wilson
Comment:	The house is one of the last wood frame federal style early homes remaining in the State.
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

**DEPARTMENT OF ENVIRONMENT & CONSERVATION**

**LAND ITEM**

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Maury County – 11.76 +/- acres – US Hwy 43, Summertown, TN – Tran. No. 07-07-011 (FB)</u></b>
Purpose:	Acquisition in Fee will prevent commercial development along the boundary of a natural area and Hwy 43. Development would have a significant negative impact on the integrity of Stillhouse Hollow Falls SNA.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Fair Market Value
Owner(s):	Randy Curtis, et al
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

Q.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County – 49 +/- acres – Nashville, TN – Trans. No. 07-07-004 (RJ)</u>
Purpose:	Disposal by Easement for TWRA use of the property is for passive wildlife recreation and protection of the riparian area along Mill Creek and protects the endangered crawfish & watershed at Mill Creek.
Estimated Sale Price:	Grant
Grantee:	The Land Trust of Tennessee
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, WAIVER of APPRAISALS not to exceed the appraised value for the property being acquired:

Description:	<u>Greene County – 70 +/- acres – Nolichucky River, Mohawk, TN – Trans. No. 07-07-005 (RJ)</u>
Purpose:	Acquisition in Fee to gifted land along the Nolichucky River will be used for river access recreation including boating & fishing.
Source of Funding:	TWRA License & Boating Funds
Estimated Cost:	Gift
Owner(s):	TN Valley Authority
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Dyer County – 67 +/- acres – Dyersburg, TN – Trans. No. 07-07-007 (RJ)</u>
Purpose:	Disposal by Easement will encumbered by a 30 year Wetland Reserve Program easement.
Estimated Sale Price:	Fair Market Value
Grantee:	Natural Resources Conservation Services / Mike Zeman
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Sullivan County – 4.4 +/- acres – Kingsport, TN – Trans. No. 07-07-008 (RJ)</u>
Purpose:	Disposal by Easement to the local utility board for a power line easement for a new development near the boat ramp at Fort Patrick Henry Lake.
Grantee:	Kingsport / Appalachian Power
SC Report:	08-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	08-20-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Bradley County – 38 +/- acres – Rural City, TN – Trans. No. 07-07-012 (RJ)

Purpose: Acquisition in Fee to allow purchase and preservation of a Wetland area under the wetland preservation legislation.

Source of Funding: Wetland Funds

Estimated Cost: Fair Market Value

Owner(s): James Beaty

SC Report: 08-13-07. Jorgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 08-20-07. Subcommittee approved the request as presented.

V.

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Housing Demolitions** at Middle Tennessee State University, Murfreesboro, Tennessee.

**Estimated Project Cost:**        **\$125,000.00**  
*SBC Project No.*        *166/009-07-2007*

Approved by: \_\_\_\_\_

M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration